



30 September 2021

Rt Hon Dame Eleanor Laing MP, Chair
Parliamentary Works Estimates Commission
House of Commons
SW1A 0AA

SB/C/21/72

Estimates Commission: follow-up information on diversification of Programme spend

Dear Dame Eleanor

In the comments made by the Estimates Commission on the Sponsor Body's Main Estimate 2021-22, the Commission asked for an update on progress by September 2021 on steps taken to diversify the Restoration and Renewal Programme's spending, particularly in respect of geographical spread and in respect of small and medium-sized enterprises. I committed in my letter of 20 May to provide an update in September and I am happy to do so now.

Since May 2021, the Delivery Authority has developed its UK-wide engagement plans and now has a number of initiatives operating to support our Strategic Themes, one of which is to create economic opportunity across all regions of the UK.

Whilst we are still in the early stages of the Programme it is imperative that we communicate our vision to the supply chain and get feedback on how best we can support suppliers across the UK.

Supplier registration and pipelines

We are installing a new procurement system. As well as allowing us to run procurement and assessment more effectively with less manual intervention, this new system also allows suppliers to register their capabilities with us and for us then to communicate programme information to keep them aware of our progress as well as keep procurement pipelines up to date. This is the sort of communication that helps suppliers organise their services to us ahead of the main procurement activity. Once the first phase of the system goes live in January, we can begin this communication.

Heritage Client Group and skills strategy

The Delivery Authority has created the Heritage Client Group (HCG), bringing together organisations like English Heritage, the Royal Palaces and the National Trust.

The aim of the HCG is to stimulate heritage skills across the UK. One proposed way of supporting this objective is to develop a pipeline of heritage works, so that for the first time suppliers can see across the sector what is being planned and, with this visibility, can themselves plan how to support work coming from the HCG members.

While the Programme will provide a large spend in the heritage sector, it is not the whole of the sector and therefore collaborating with other heritage client groups will provide a greater benefit to the suppliers, particularly those that are smaller or away from the main concentrations of work, who will have better visibility than ever before of the national work bank.

UK Regions meetings

The Delivery Authority has met at a senior level (Chair and Commercial Director) with five regions of the UK:

- West Midlands Combined Authority
- Doncaster
- North of Tyne
- Liverpool
- Greater Manchester Combined Authority

We are planning to meet with senior officials from all regions and nations of the UK with the aim of outlining the current development of the Programme and to hear from the regions and nations how best we can help them do business with us. We are also keen to hear what regional skills capabilities exist so that we might support them through our employment and skills strategy.

UK Regions visits

The meetings outlined above are now being followed up with 10 round-table events across the country, which are being delivered in partnership with the British Chambers of Commerce and include a range of smaller regional suppliers and local industry groups. These events are starting in November 2021 with the West Midlands and then Doncaster

The aim is to explain what the Programme can offer and what skills and services it needs, while listening to the suppliers about how best they would like to be engaged.

As well as the round table meetings, the events also include visits to training providers and specialist skills providers. A summary of this work will be prepared and included in the detailed and costed plan for the works (otherwise known as the Programme Business Case).

Specific market engagement

Generally, the first activity for any major procurement is to begin early market engagement to get feedback on the broad proposals to be considered in the procurement.

The Delivery Authority has conducted two market engagements, one for its proposed 'Client Partners' contracts (which will support design, programme management and on-site delivery) and one for the main construction work for the QEII building in respect of it becoming the decant location of the House of Lords.

Each of these was launched via a Periodic Indicative Notice (PIN), from the Government website which is available to all suppliers.

We held a live briefing and Q&A session for the QE2 engagement and plan to provide the feedback in summary form to all the suppliers who participated.

There were over 50 written responses from SMEs and larger firms and a spread from across the UK giving us direct feedback on our proposals for our most immediate procurements.

We plan to continue to use this form of market engagement, using virtual and live events to engage suppliers from across the UK.

Intrusive Survey Framework

The largest procurement underway at the time of writing is for the Intrusive Surveys Framework. 37 businesses expressed an interest in working on this framework, with 28 of them coming from outside London.

To make sure we are responsive to the needs of this broad range and location of suppliers we have also developed an 'interim submission' for their tenders, which allows suppliers to tell us if there are any terms which they find so onerous that it may dissuade them from bidding. We can then consider amending our requirements accordingly prior to their final submission. We think this is likely to be supportive to smaller businesses and businesses outside of London, who are perhaps less used to bidding for this sort of larger-scale work in central London.

Investment Committee monitoring

The sub-committee of the Delivery Authority Board focused on the supply chain is the Investment Committee. At each of its meetings our engagement and procurement plans are reviewed for good practice and evidence of using lessons from other major programmes.

The Investment Committee is where the Delivery Authority reviews the procurement dashboard which (amongst other things) shows where in the UK this investment is made and whether the businesses are SMEs.

As the initiatives above show, the Delivery Authority is developing its plans early in the Programme to support UK-wide engagement from the supply chain aligned with delivering excellent value for money.

I hope the above information provides reassurance that we are proactively seeking to ensure the benefits of the Programme are felt right across the country. We look forward to discussing these, and other issues, with the Commission in due course.

Your Sincerely



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Houses of Parliament
Restoration and Renewal
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